

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CAPITOL RESOURCES,)	
INC., TO PURCHASE STOCK OF PUBLIC GAS)	CASE NO. 10085
COMPANY)	

O R D E R

On November 17, 1987, Capitol Resources, Inc. ("Capitol"), filed an application to acquire the stock of Public Gas Company ("Public"). Filed with the application was the Stock Purchase agreement. That agreement states that the purchase price is \$60,000. It also provides that Capitol may undertake control and operation of Public pending closing, which is contingent on Commission approval.

During the review of this application, the Commission discovered several discrepancies in Public's financial statements. However, after further analysis, a review of Public's Annual Reports, the staff audit and information filed with the application, it has been determined that the accounting and financial concerns have been adequately explained and documented. Accordingly, the Commission finds that no further investigation into these matters is necessary.

Capitol is the sole stockholder of Capitol Oil Co., Inc., which is a regulated utility. The Commission is, thus, familiar with the principal's involved and with their managerial experience and ability.

After a review of the record, the Commission finds that Capitol has the financial, technical and managerial ability to operate Public.

IT IS THEREFORE ORDERED that:

1. The application to acquire Public's stock by Capitol is approved;
2. Capitol shall file within 30 days the appropriate accounting and journal entries related to the transfer of the stock; and
3. Capitol shall file the 1987 Annual Report for Public with the Commission.

Done at Frankfort, Kentucky, this 1st day of March, 1988.

PUBLIC SERVICE COMMISSION

Richard D. Hemmelf
Chairman

Robert M. Davis
Vice Chairman

Spencer W. Williams
Commissioner

ATTEST:

Executive Director